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UNITED STATES BANKRUPTCY COURT  
 SOUTHERN DISTRICT OF NEW YORK

In re

MUSICLAND HOLDING CORP., et al.,<sup>1</sup>

Debtors.

BUENA VISTA HOME ENTERTAINMENT,  
 INC., a California corporation; CARGILL  
 FINANCIAL SERVICES INTERNATIONAL,  
 INC., a Delaware corporation; HAIN CAPITAL  
 GROUP, LLC, a Delaware limited liability  
 company; PARAMOUNT PICTURES  
 CORPORATION, a Delaware corporation;  
 TWENTIETH CENTURY FOX HOME  
 ENTERTAINMENT LLC, a Delaware limited  
 liability company; UBS WILLOW FUND, LLC,  
 a Delaware limited liability company; and  
 VÄRDE INVESTMENT PARTNERS, L.P., a  
 Delaware limited partnership,

Plaintiffs,

v.

WACHOVIA BANK, N.A., a national banking  
 association, in its capacity as Agent; and  
 HARRIS N.A., a national banking association,

Defendants.

) Case No. 06-10064 (SMB)

) Chapter 11

) Jointly Administered

) Adv. Proc. No.: 07-01705 (SMB)

<sup>1</sup> The Debtors are: Musicland Holding Corp., Media Play, Inc., MG Financial Services, Inc., MLG Internet, Inc., Musicland Purchasing Corp., Musicland Retail, Inc., Request Media, Inc., Sam Goody Holding Corp., Suncoast Group, Inc., Suncoast Holding Corp., Suncoast Motion Picture Company, Inc., Suncoast Retail, Inc., TMG Caribbean, Inc., TMG-Virgin Islands, Inc., The Musicland Group, Inc.

**DESIGNATION OF RECORD AND STATEMENT OF  
ISSUES ON APPEAL PURSUANT TO BANKRUPTCY RULE 8006 BY  
APPELLANTS IN CONNECTION WITH THEIR APPEAL  
OF THE DECISION AND JUDGMENT ENTERED ON  
AUGUST 27, 2007 DISMISSING THE COMPLAINT IN THIS ACTION**

Buena Vista Home Entertainment, Inc., Cargill Financial Services International, Inc.,  
Hain Capital Group, LLC, Paramount Pictures Corporation, Twentieth Century Fox Home  
Entertainment LLC, UBS Willow Fund, LLC, and Värde Investment Partners, L.P. (collectively,  
“Appellants”), through their undersigned counsel, designate the following documents for  
inclusion in the record on appeal:

1. Complaint against Wachovia Bank, N.A, and Harris N.A. (Entered 05/15/2007) –  
**Docket No. 1.**

2. First Motion to Dismiss Adversary Proceeding Filed On Behalf of Harris N.A.  
(Entered 06/15/2007) – **Docket No. 3.**

3. First Memorandum of Law In Support of Motion to Dismiss Complaint Pursuant  
to Bankruptcy Rule 7012 and Federal Rule of Civil Procedure 12(b)(6) Filed on Behalf of Harris  
N.A. (Entered 6/15/2007) – **Docket No. 4.**

4. Motion to Dismiss Adversary Proceeding Filed on Behalf of Wachovia Bank,  
N.A. (Entered 6/15/2007) – **Docket No. 7.**

5. Memorandum of Law of Defendant Wachovia Bank, N.A. In Support of Motion  
to Dismiss Complaint Filed on Behalf of Wachovia Bank, N.A. (Entered 6/15/2007) – **Docket  
No. 8.**

6. Memorandum of Law In Opposition to Defendants’ Motion to Dismiss Complaint  
Filed on Behalf of Buena Vista Home Entertainment, Inc., Cargill Financial Services  
International, Inc., Hain Capital Group, LLC, Paramount Pictures Corporation, Twentieth

Century Fox Home Entertainment LLC, UBS Willow Fund, LLC, and Värde Investment Partners, L.P. (Entered 07/13/2007) – **Docket No. 21.**

7. Reply Memorandum of Law In Further Support of Defendant N.A.’s Motion to Dismiss Complaint Pursuant to Bankruptcy Rule 7012 and Federal Rule of Civil Procedure 12(b)(6) (Entered 07/26/07) – **Docket No. 23.**

8. Reply Memorandum of Law in Further Support of Wachovia’s Motion to Dismiss the Complaint Filed on Behalf of Wachovia Bank, N.A. (Entered 07/26/07) – **Docket No. 24.**

9. Transcript of Hearing Held on August 9, 2007 (Entered 08/21/2007) – **Docket No. 36.**

10. Memorandum Decision and Order Signed on 8/24/2007 Granting Motion to Dismiss Complaint (Entered 08/27/07) – **Docket No. 37.**

11. Judgment Index No. BC 07.0170 (Entered 08/27/07) – **Docket No. 38.**

12. Amended Notice of Appeal (Entered 8/30/07) – **Docket No. 40.**

#### **STATEMENT OF ISSUE ON APPEAL**

Appellants state the issue on appeal is:

1. Whether the Bankruptcy Court erred in dismissing the complaint filed in the above-captioned adversary proceeding for failure to state a claim upon which relief can be

granted pursuant to Rule 12(b)(6) of the Federal Rules of Civil Procedure, made applicable here pursuant to Rule 7012 of the Federal Rules of Bankruptcy Procedure.

Dated: New York, New York  
September 10, 2007

/s/ Beth E. Levine

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